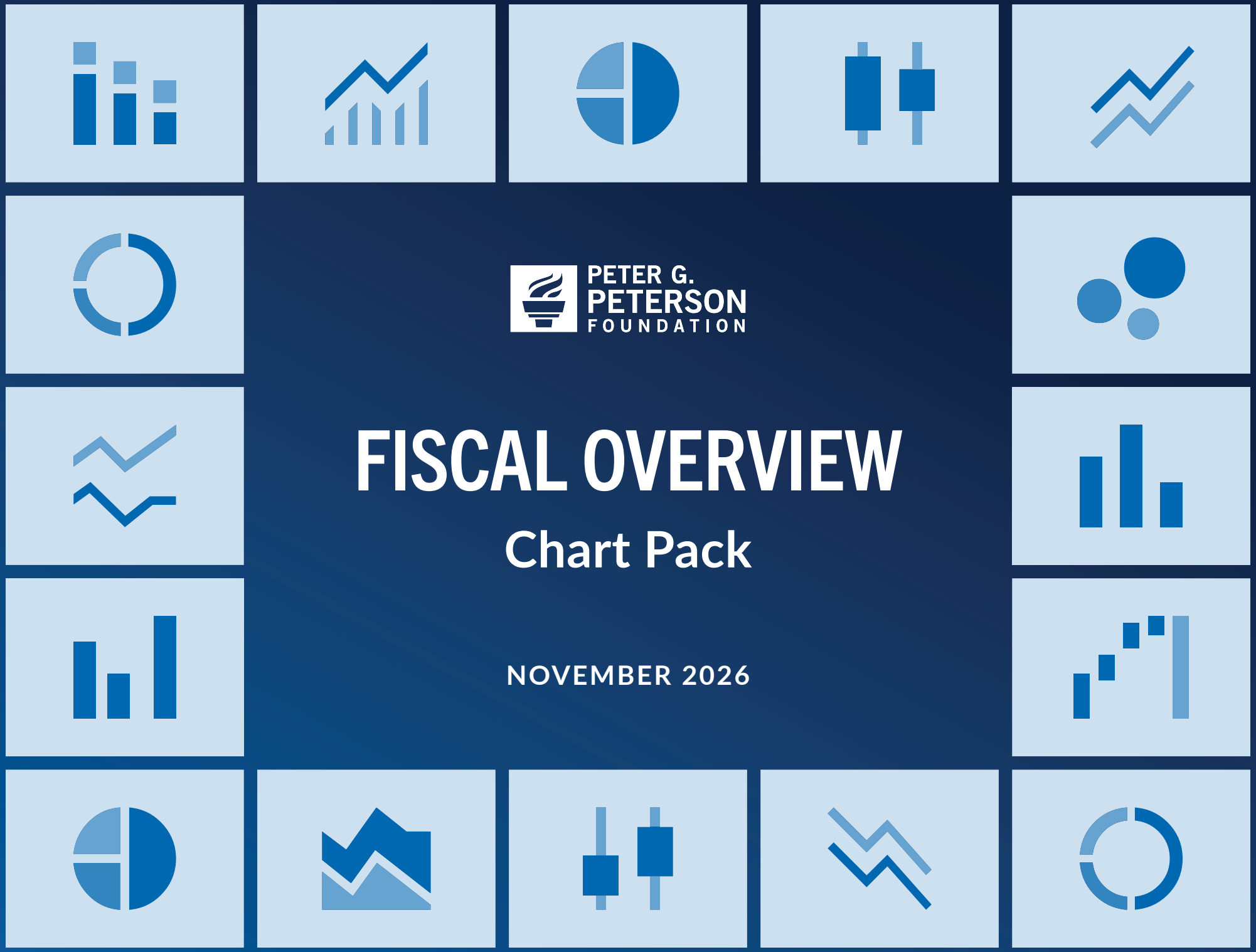


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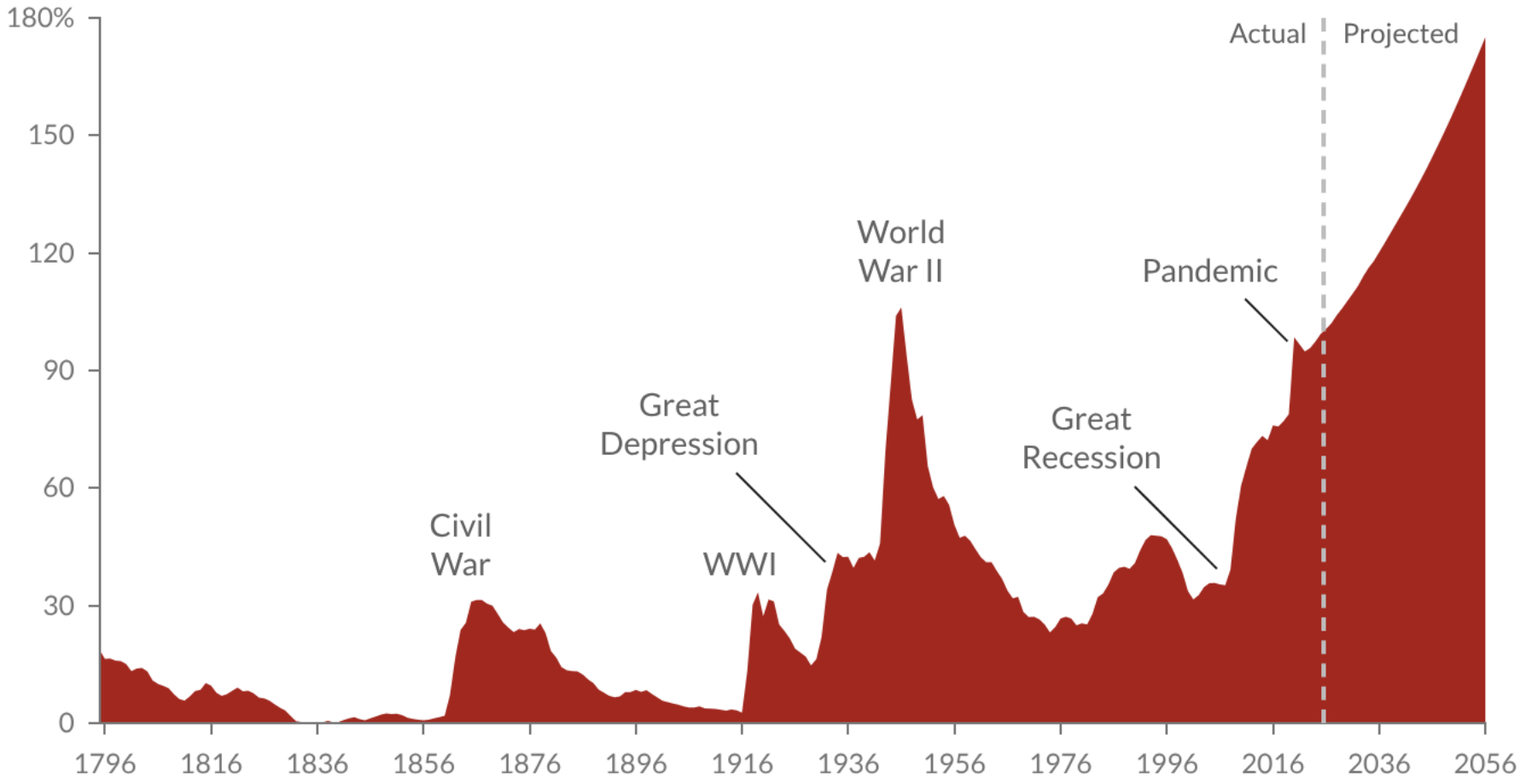
FISCAL OVERVIEW

Chart Pack

NOVEMBER 2026

Federal debt is on an unsustainable path

Debt Held by the Public (% of GDP)



Source: Congressional Budget Office

Note: Data includes the long-term projections and other previous projections.

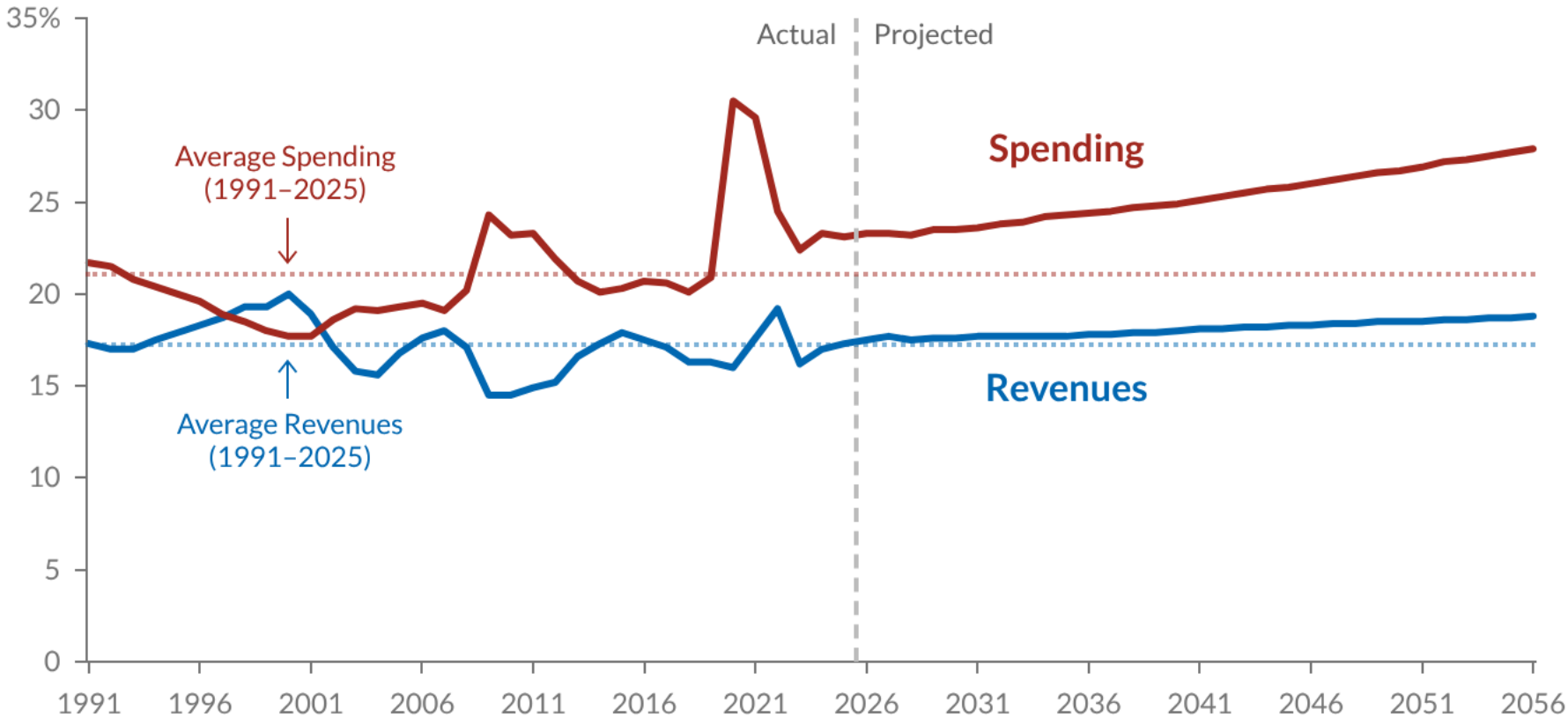
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The growing debt is caused by a structural mismatch between spending and revenues

Federal Spending and Revenues (% of GDP)



Sources: Office of Management and Budget and Congressional Budget Office

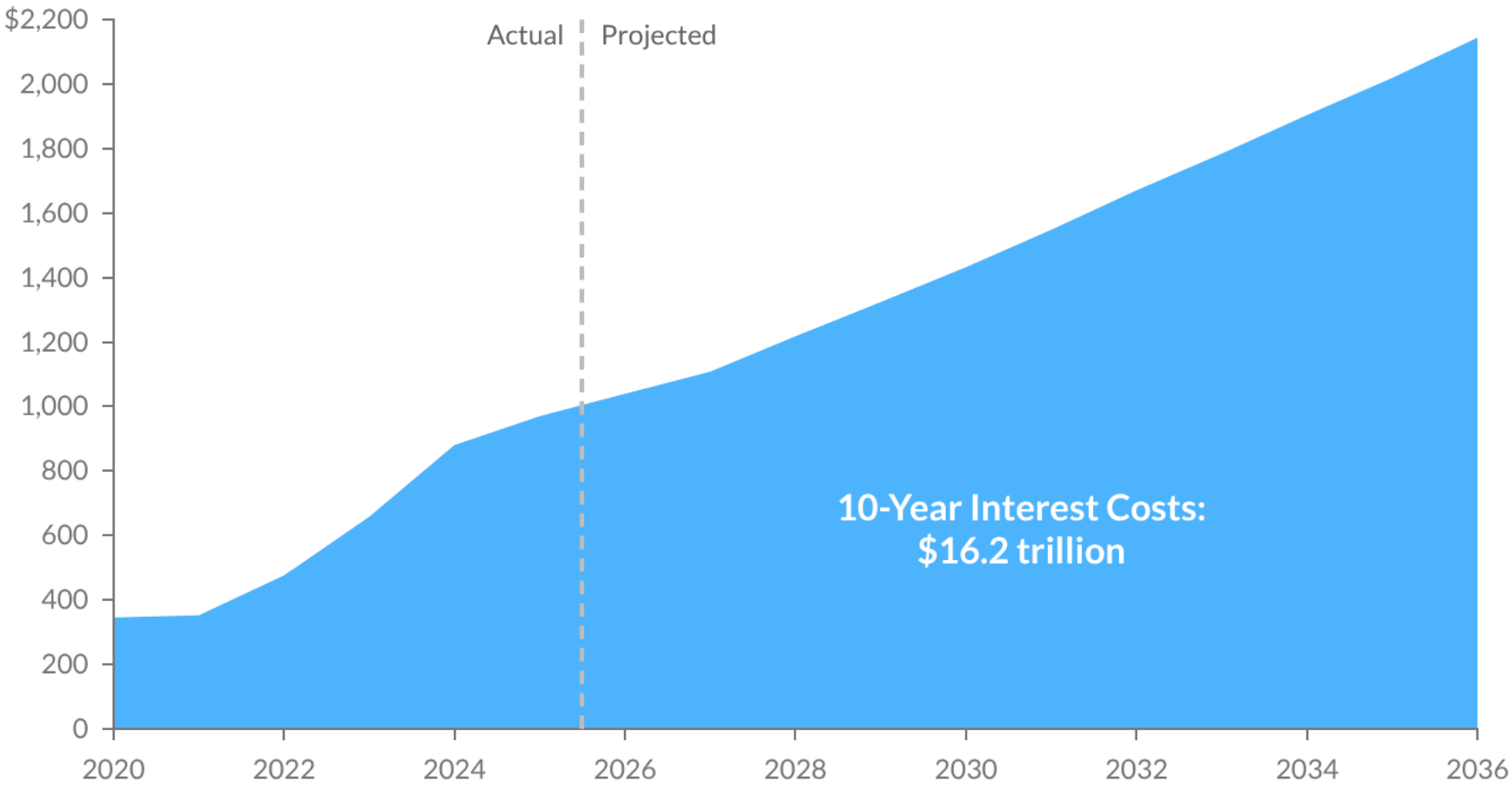
Note: Projected data have been adjusted to remove the effects of timing shifts. Data includes the long-term and ten-year projections.

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Net interest costs are projected to rise sharply



Sources: Congressional Budget Office and Office of Management and Budget

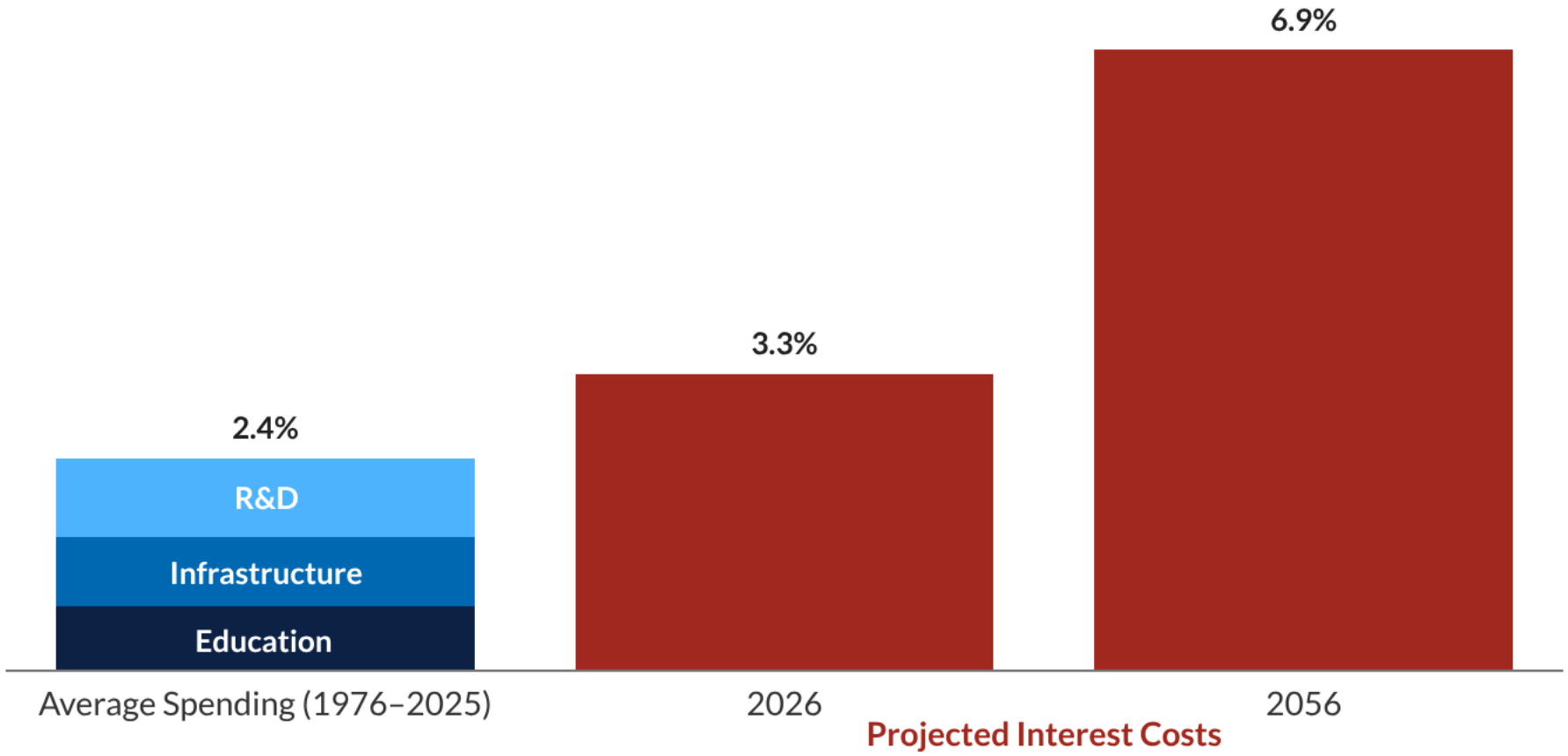
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By 2056, interest costs will nearly triple the government's historical spending on R&D, infrastructure, and education

Federal Spending (% of GDP)



Sources: Congressional Budget Office and Office of Management and Budget

Note: Infrastructure excludes defense. Congressional Budget Office data is from the most recent 10-year and long-term budget outlooks.

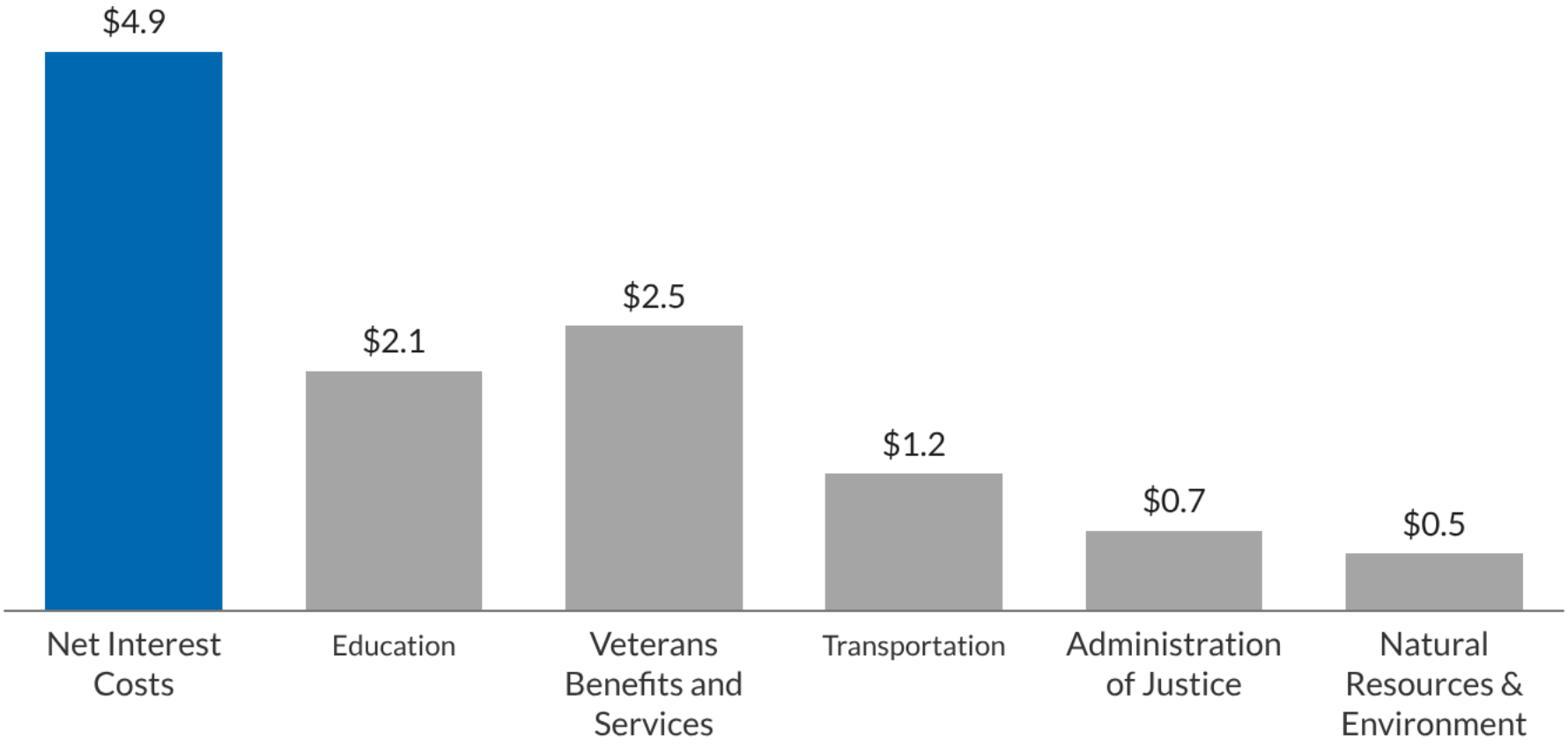
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Over the past decade, the U.S. spent more on interest costs than on other national priorites

Federal Spending From FY2016 to FY2025 (Trillions of $)



Source: Office of Management and Budget and Department of the Treasury

Note: Education includes education, training, employment, and social services. Treasury data are used for 2025.

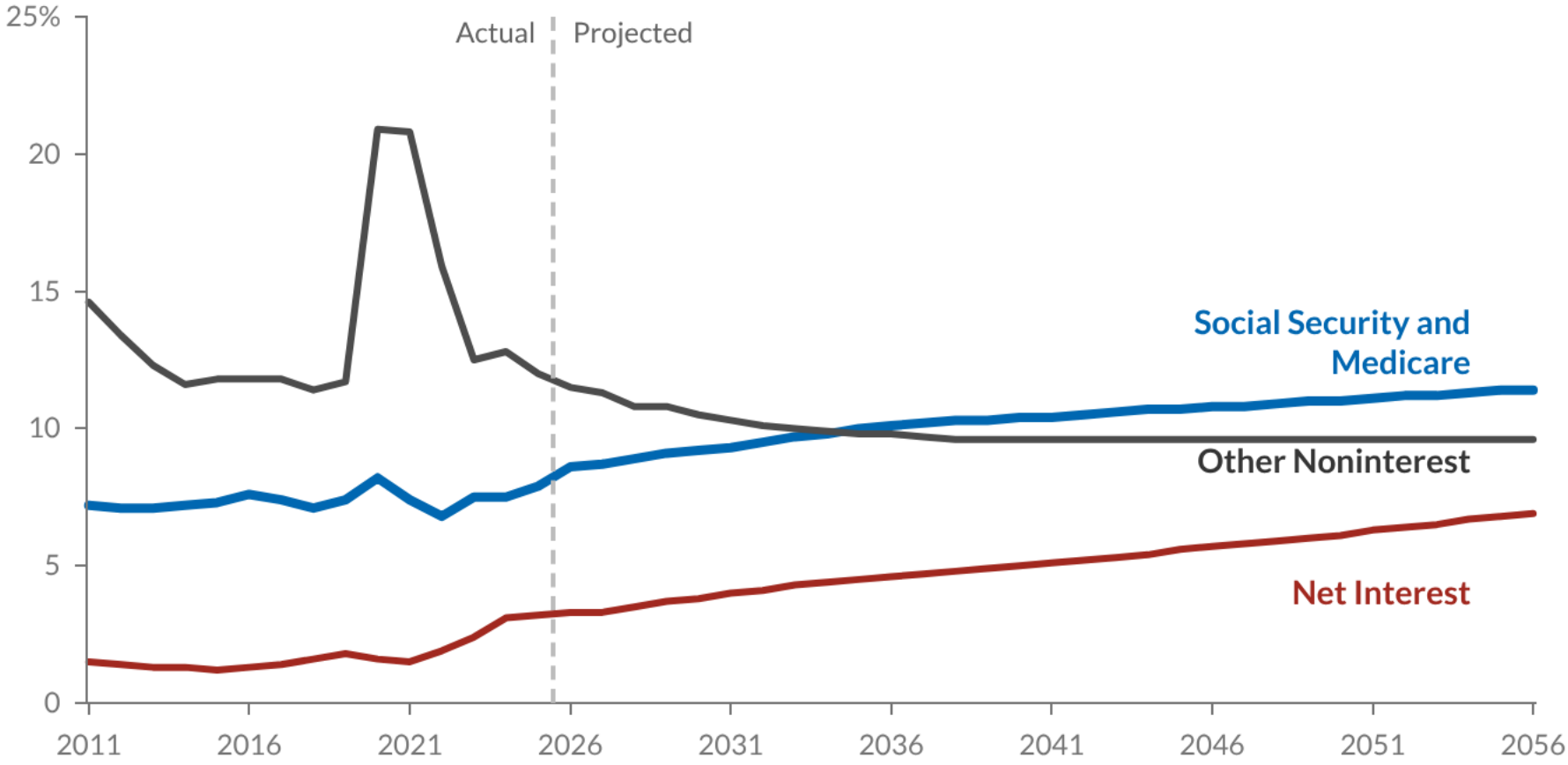
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Spending for Social Security and Medicare will continue to climb

Federal Spending (% of GDP)



Source: Congressional Budget Office

Notes: Other noninterest spending includes discretionary spending, Medicaid, Children's Health Insurance Program, and other mandatory spending. Data includes the long-term and ten-year projections. Medicare spending includes offsetting receipts.

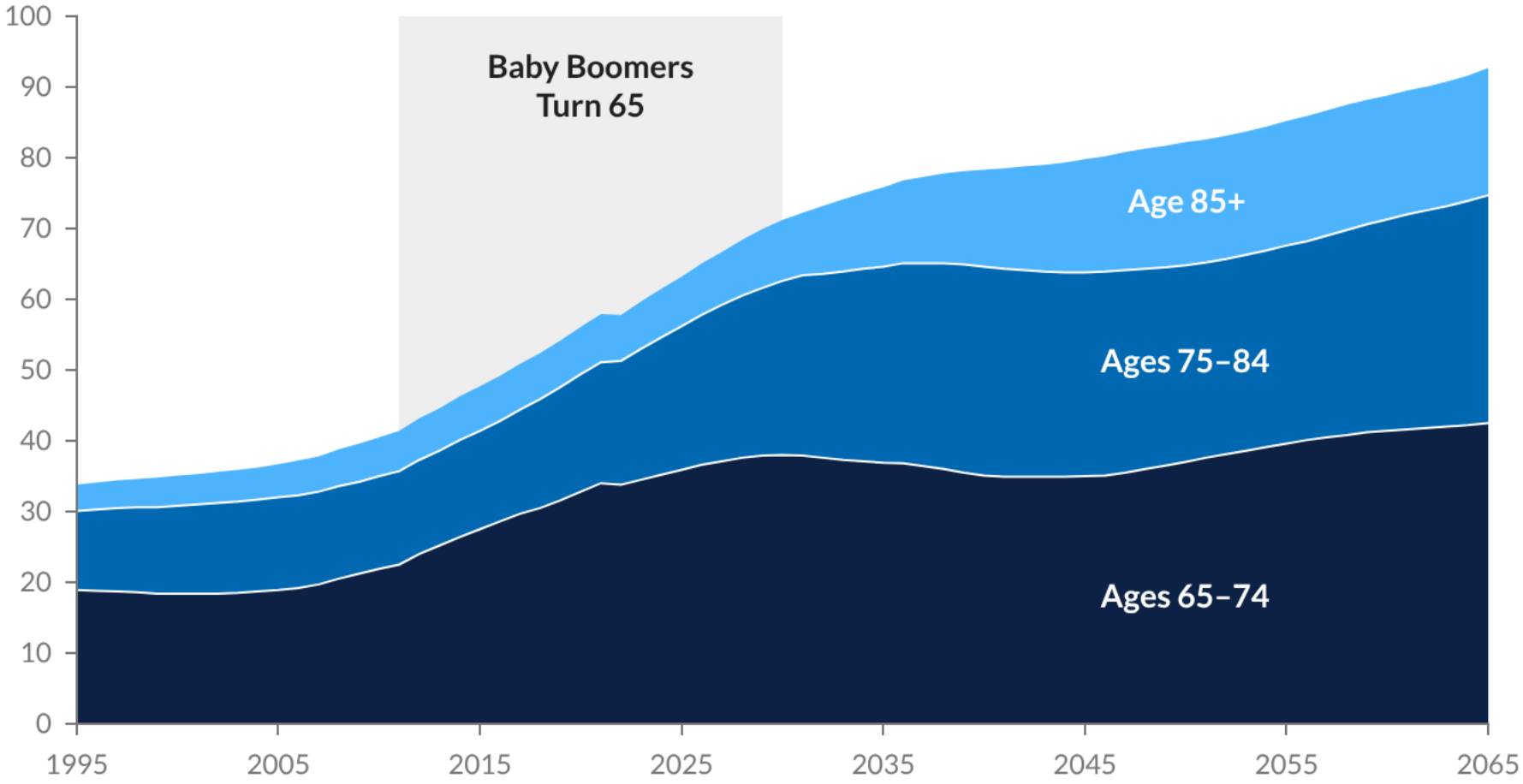
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The elderly population is growing rapidly and living longer

U.S. Population Age 65+ (Millions)



Source: U.S. Census Bureau

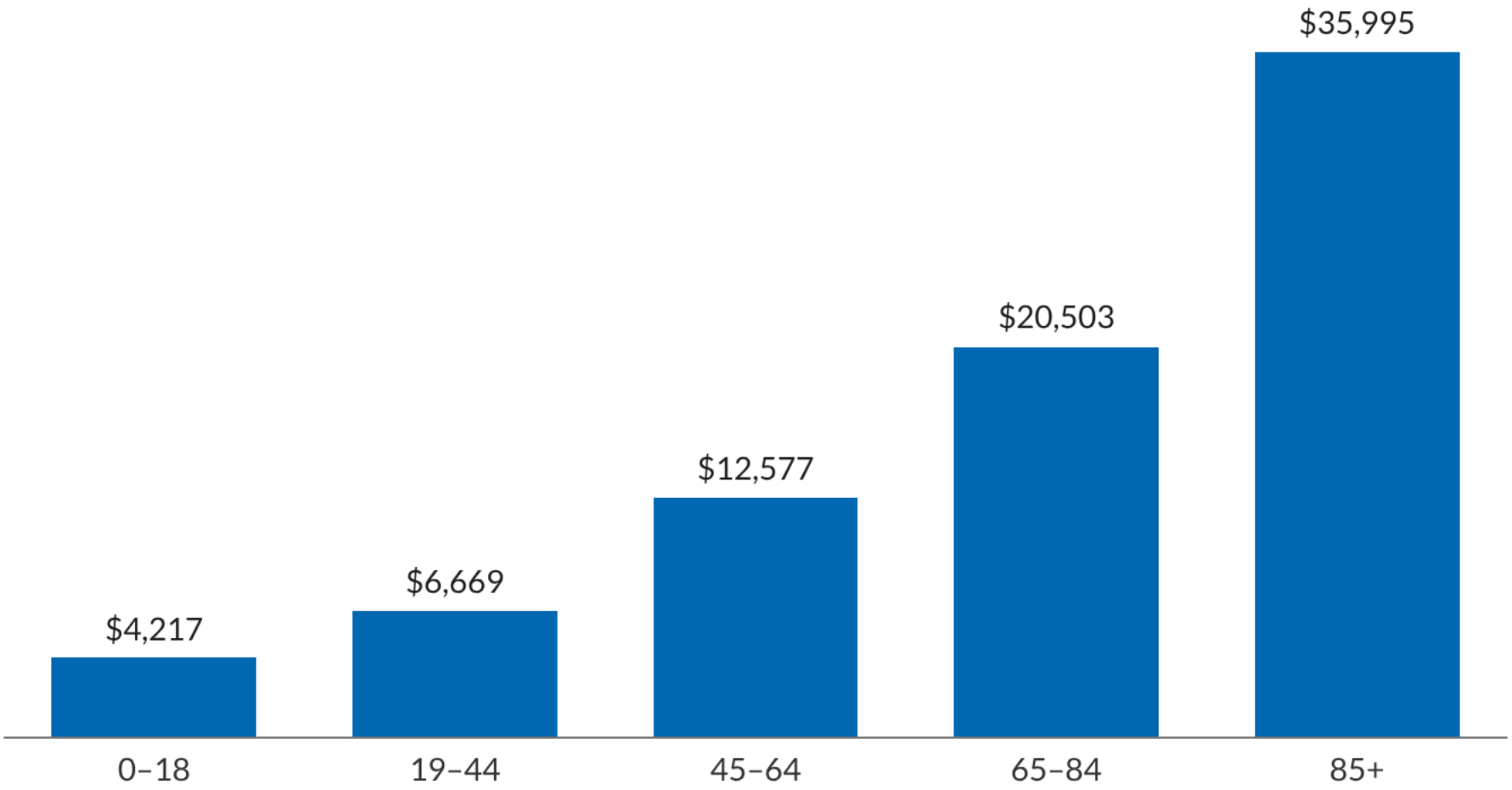
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Medical spending increases rapidly with age

Healthcare Spending per Capita by Age Group ($)



Source: Centers for Medicare and Medicaid Studies

Note: Data are for 2020.

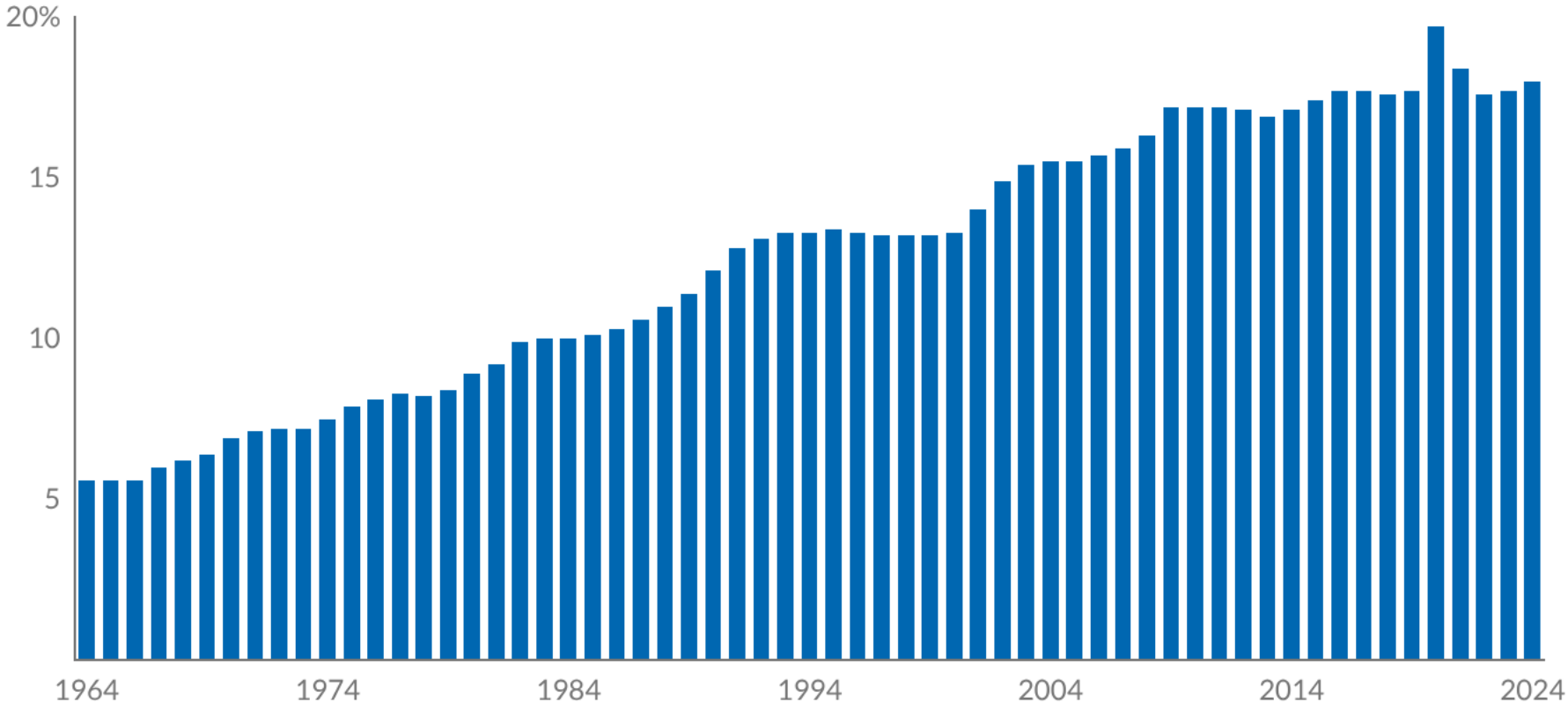
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Healthcare costs in the United States have increased drastically over the past several decades

National Health Expenditures (% of GDP)



Source: Centers for Medicare and Medicaid Services

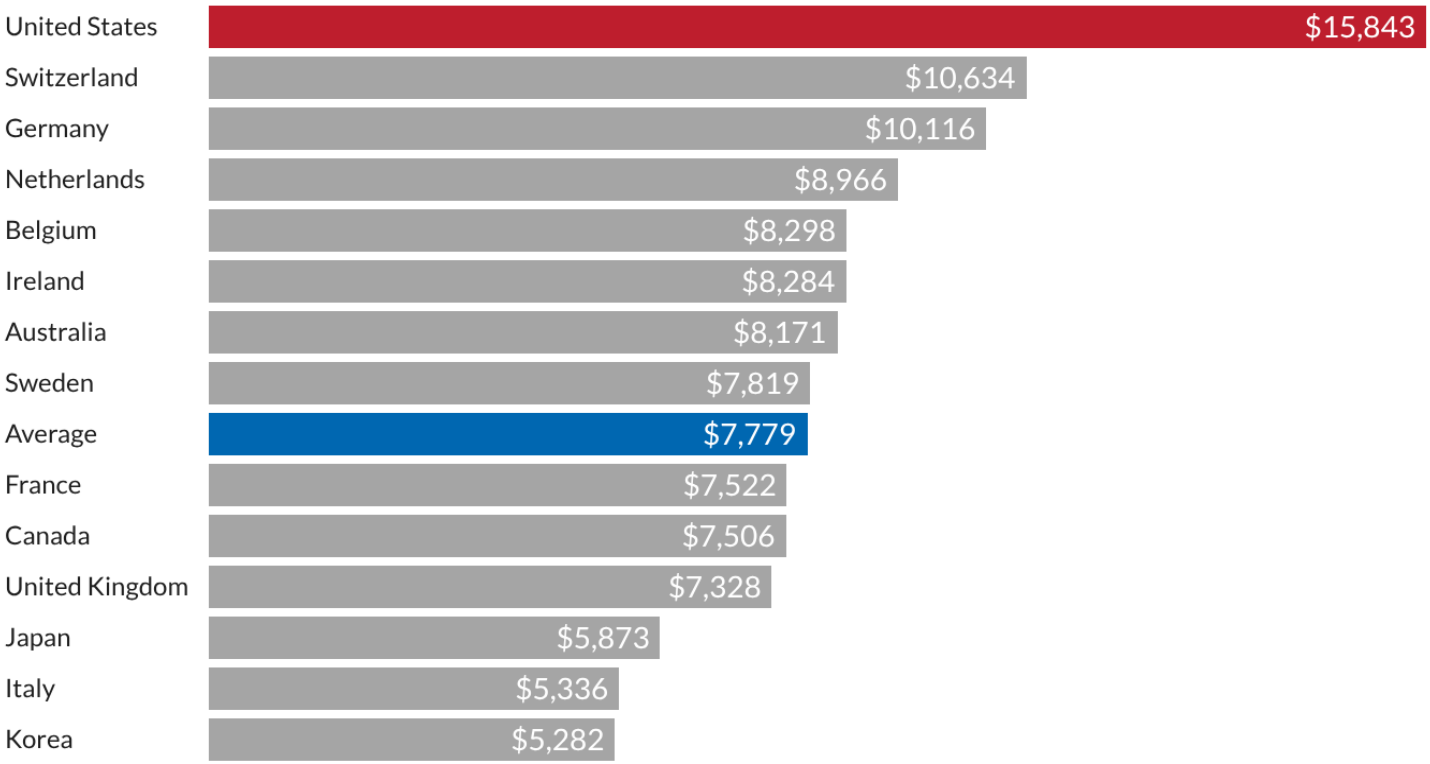
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U.S. per capita healthcare spending is twice the average of other wealthy countries

Healthcare Costs per Capita ($)



Source: Organisation for Economic Co-operation and Development

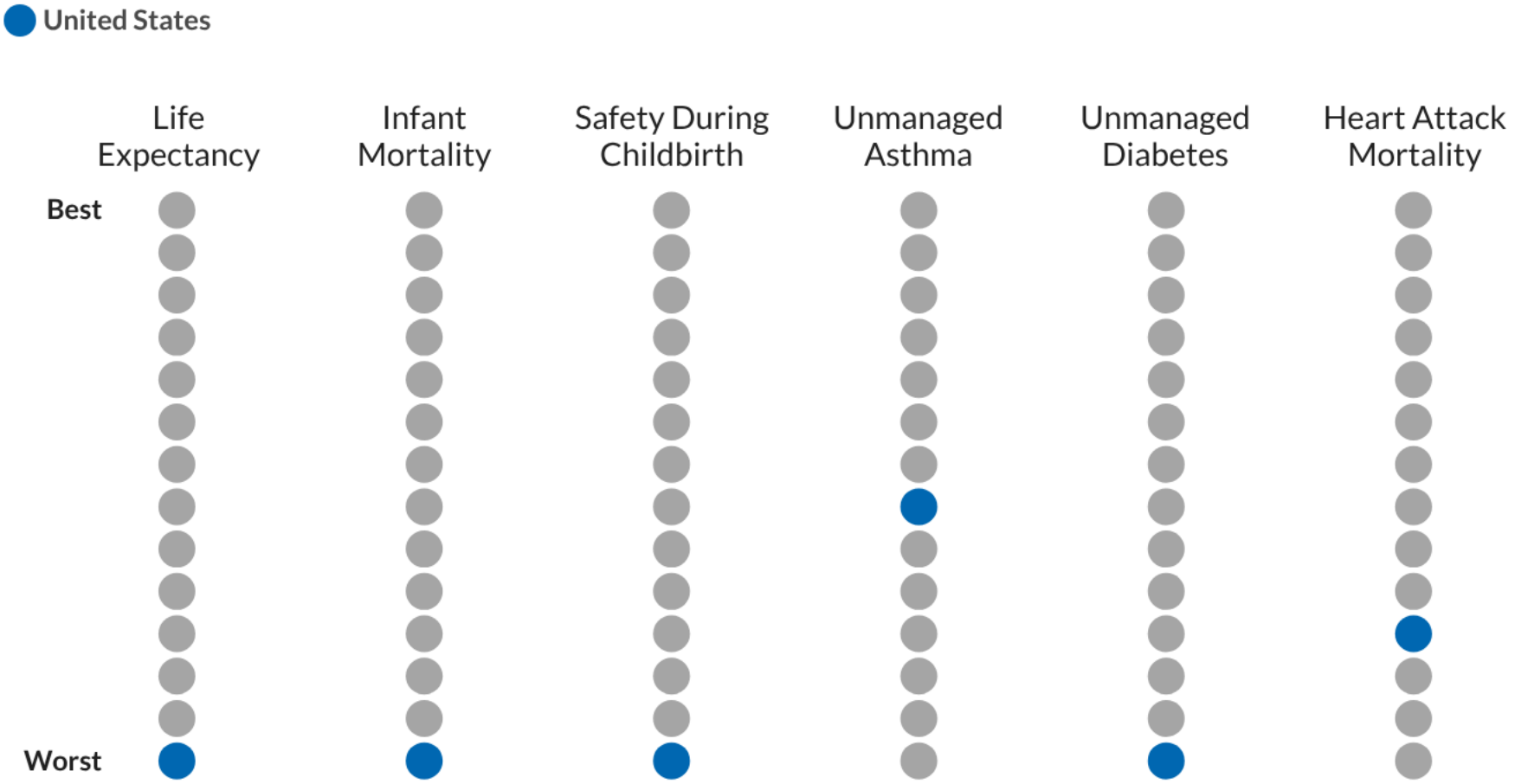
Notes: Data are for 2025. Average does not include the United States. The five countries with the largest economies and those with both an above median GDP and GDP per capita, relative to all OECD countries, were included. Chart uses purchasing power parities to convert data into U.S. dollars.

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The United States has worse healthcare outcomes compared to other wealthy countries



Source: Organisation for Economic Co-operation and Development

Notes: Data are for 2024 or latest available. The five countries with the largest economies and those with both an above median GDP and GDP per capita, relative to all OECD countries, were included.

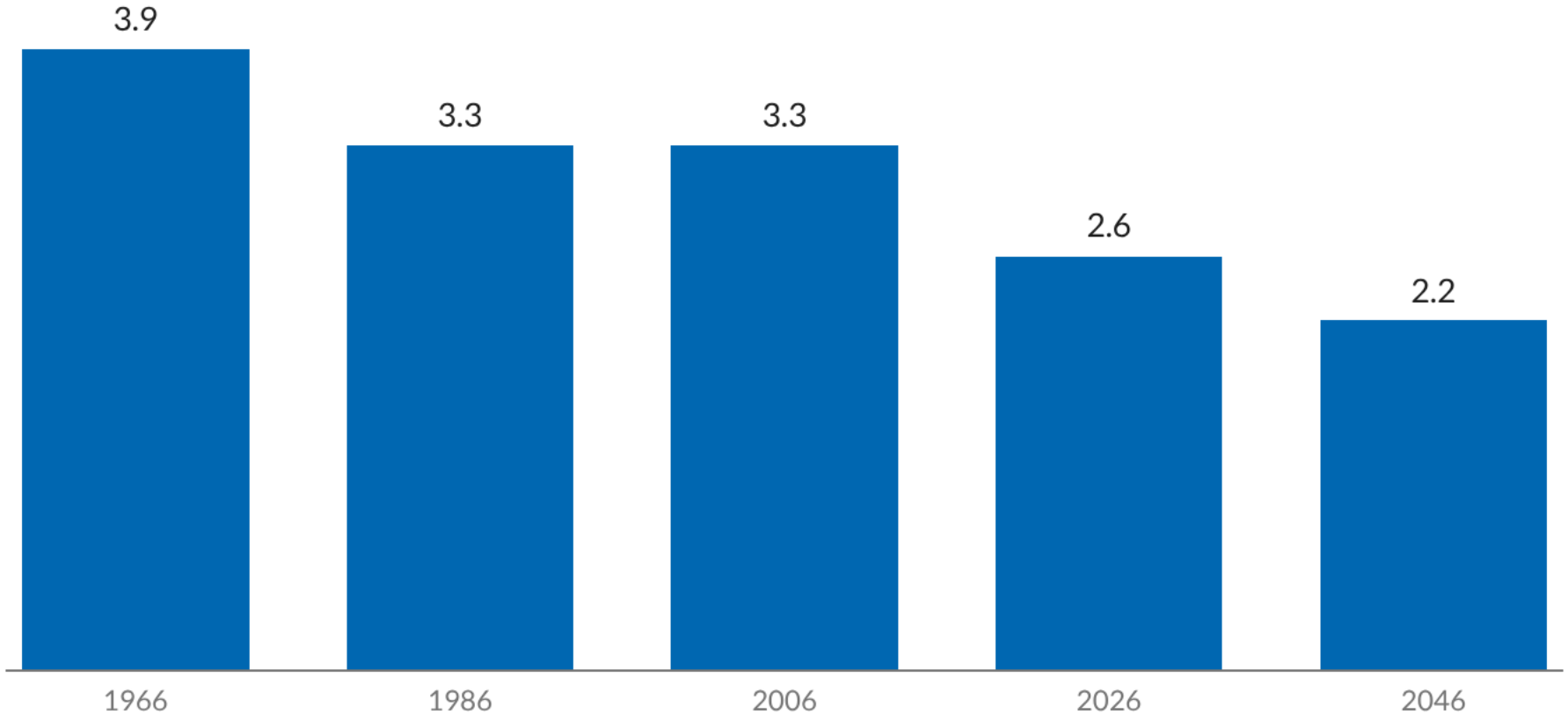
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As the population ages, fewer workers will be paying taxes to support each Social Security beneficiary

Workers per Beneficiary Ratio



Source: Social Security Administration

Note: Beneficiaries are those covered by either Old-Age and Survivors Insurance (OASI), Disability Insurance (DI) or both.

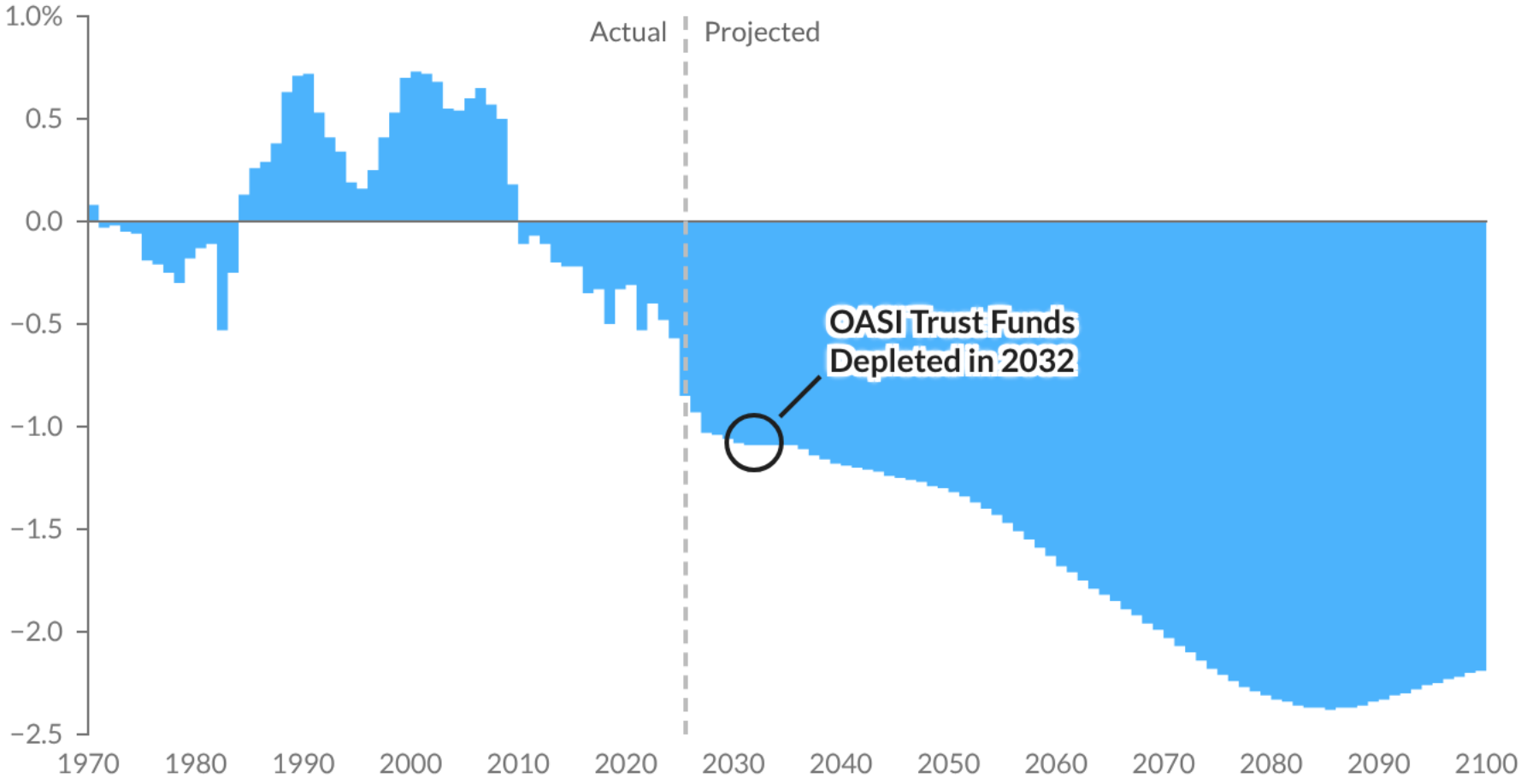
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Social Security is facing significant cash shortfalls

Social Security Surpluses/Deficits (% of GDP)



Source: Social Security Administration

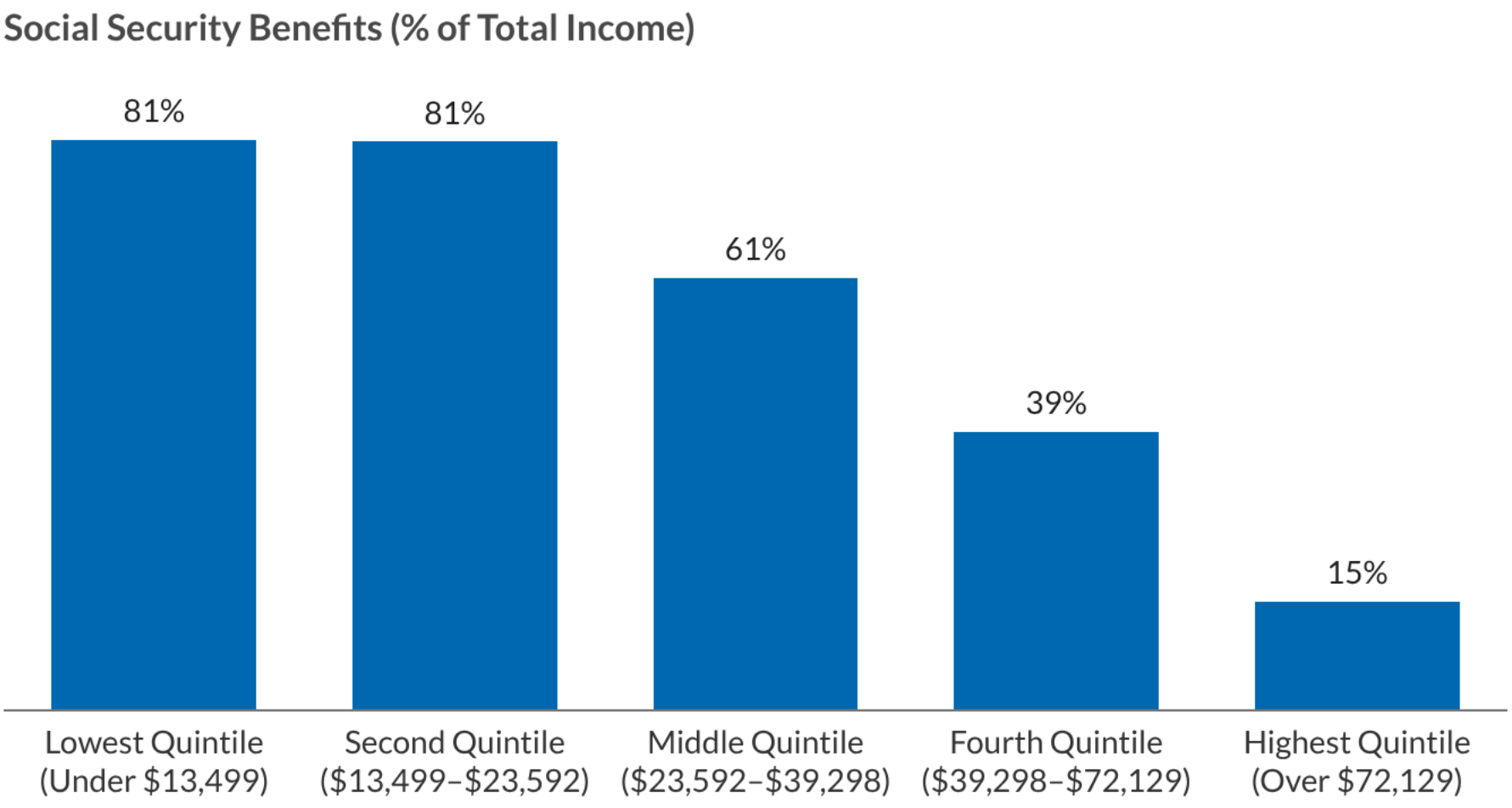
Notes: OASI is the The Old-Age & Survivors Insurance Trust Fund. Surplus/deficit numbers exclude interest income.

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Low-income seniors rely on Social Security benefits for a major share of their retirement income



Source: Social Security Administration

Notes: A quintile is one-fifth of the population. Data are for 2014.

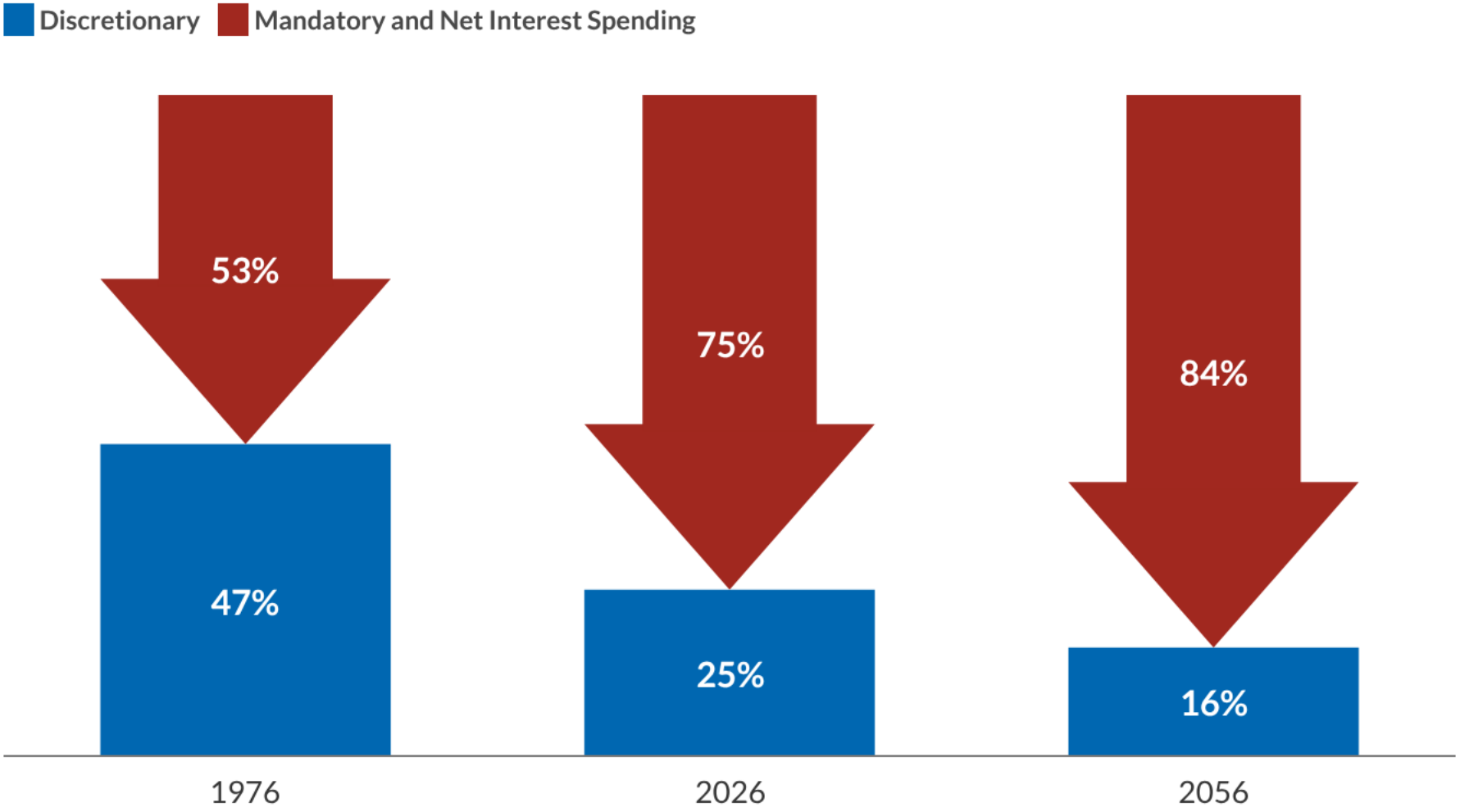
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Mandatory and interest spending consume the budget

% of Federal Spending



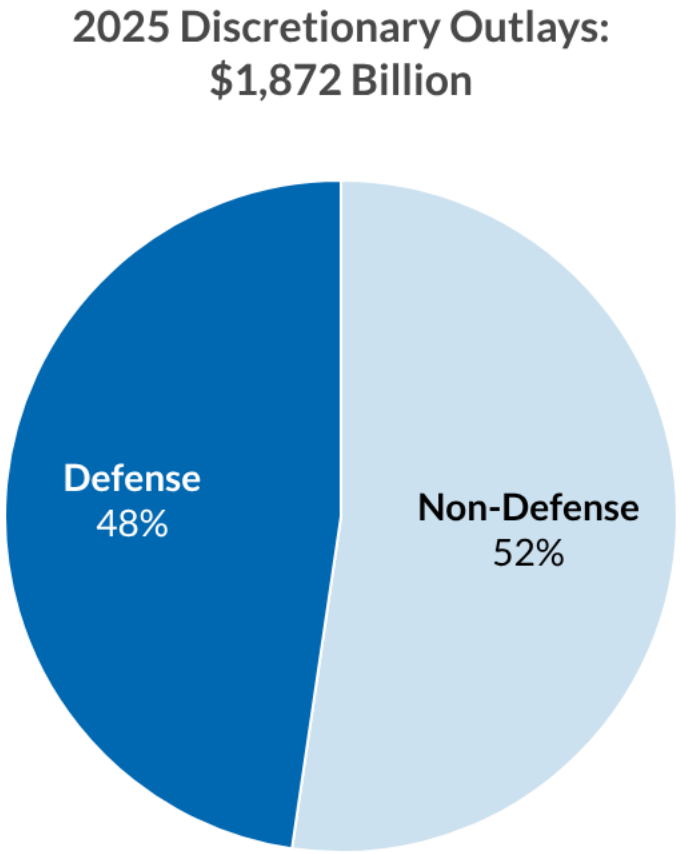
Sources: Congressional Budget Office

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Defense spending accounts for nearly half of total discretionary spending



Source: Congressional Budget Office

Notes: Non-Defense includes Transportation, Veteran's Benefits and Services, Health, Education, International Affairs, General Government, Administration of Justice, Natural Resources and Environment, Housing Assistance, General Science, Space and Technology, Community and Regional Development, and Training, Employment, and Social Services spending.

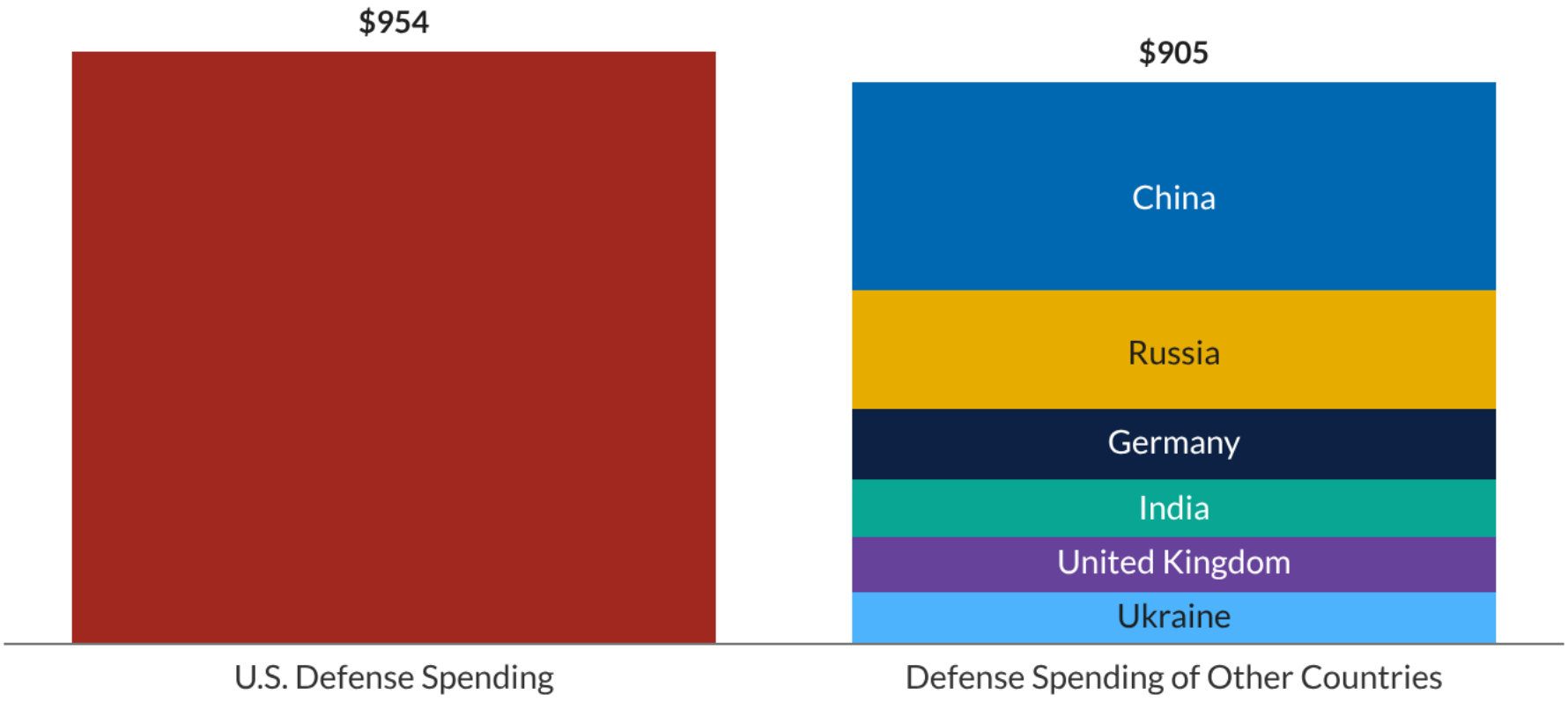
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The United States spends more on defense than the next 6 countries combined

Defense Spending (Billions of $)



Source: Stockholm International Peace Research Institute

Notes: Figures are in U.S. dollars converted from local currencies using market exchange rates. Data for the United States are for fiscal year 2025. Data for the other countries are for calendar year 2025. The source for this chart uses a definition of defense spending that is more broad than budget function 050 and defense discretionary spending.

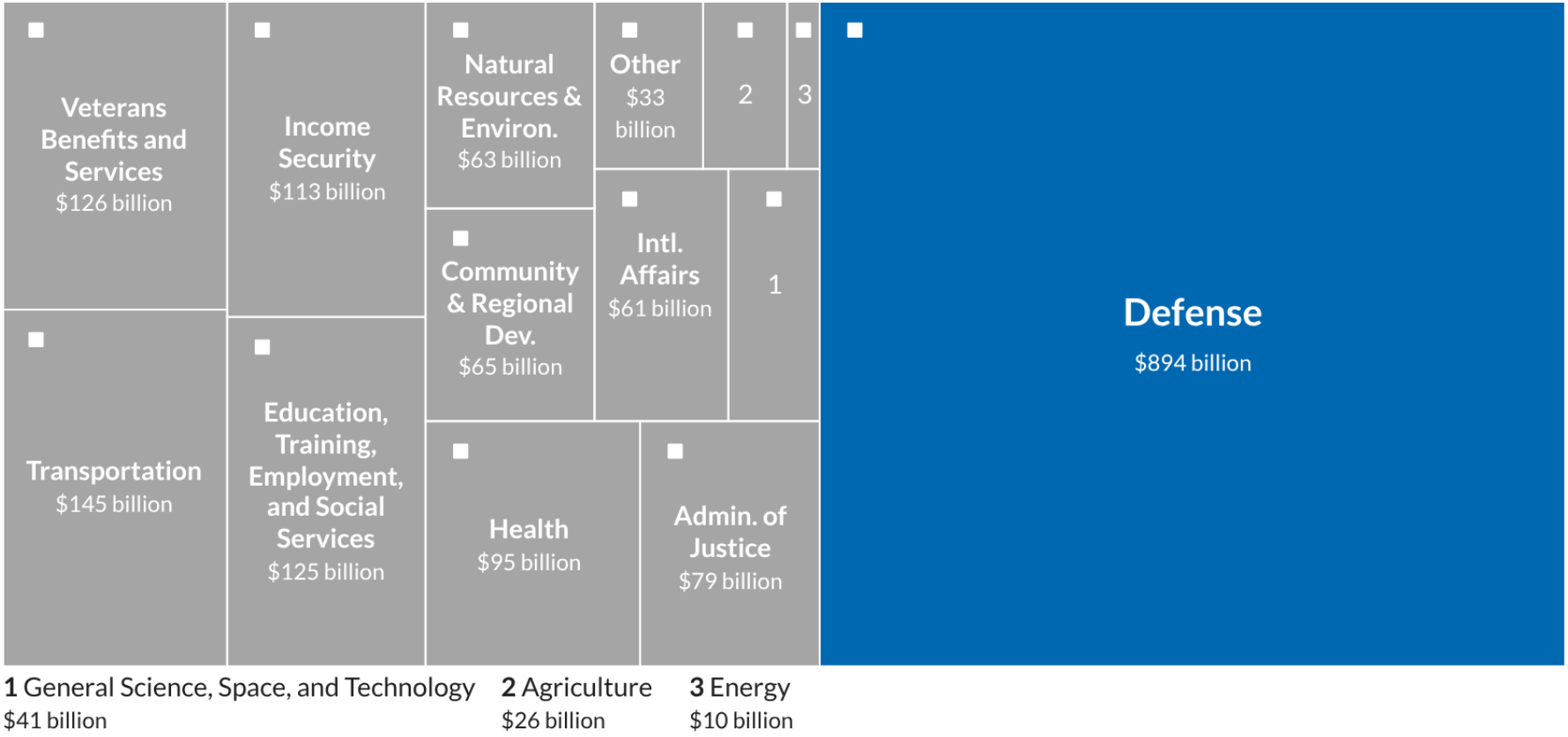
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Defense spending accounts for nearly half of total discretionary spending

Composition of Discretionary Spending by Non-Defense and Defense in 2025 (Billions of $)



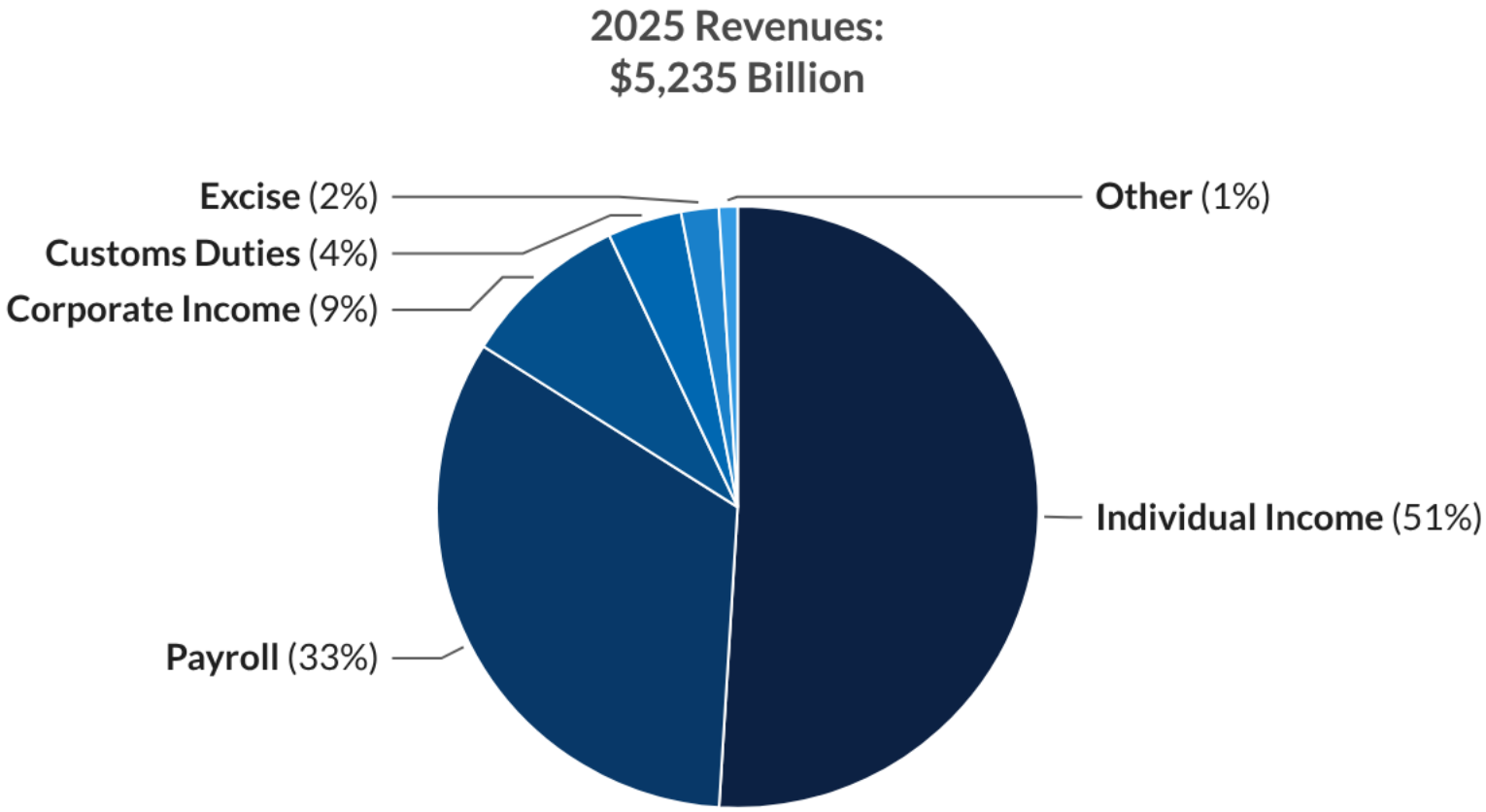
Source: Office of Management and Budget

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The federal government collects revenues from a variety of sources



Source: Congressional Budget Office

Notes: "Other" includes estate and gift taxes, income from the Federal Reserve, and miscellaneous fees and fines. Totals may not add up to 100% due to rounding.

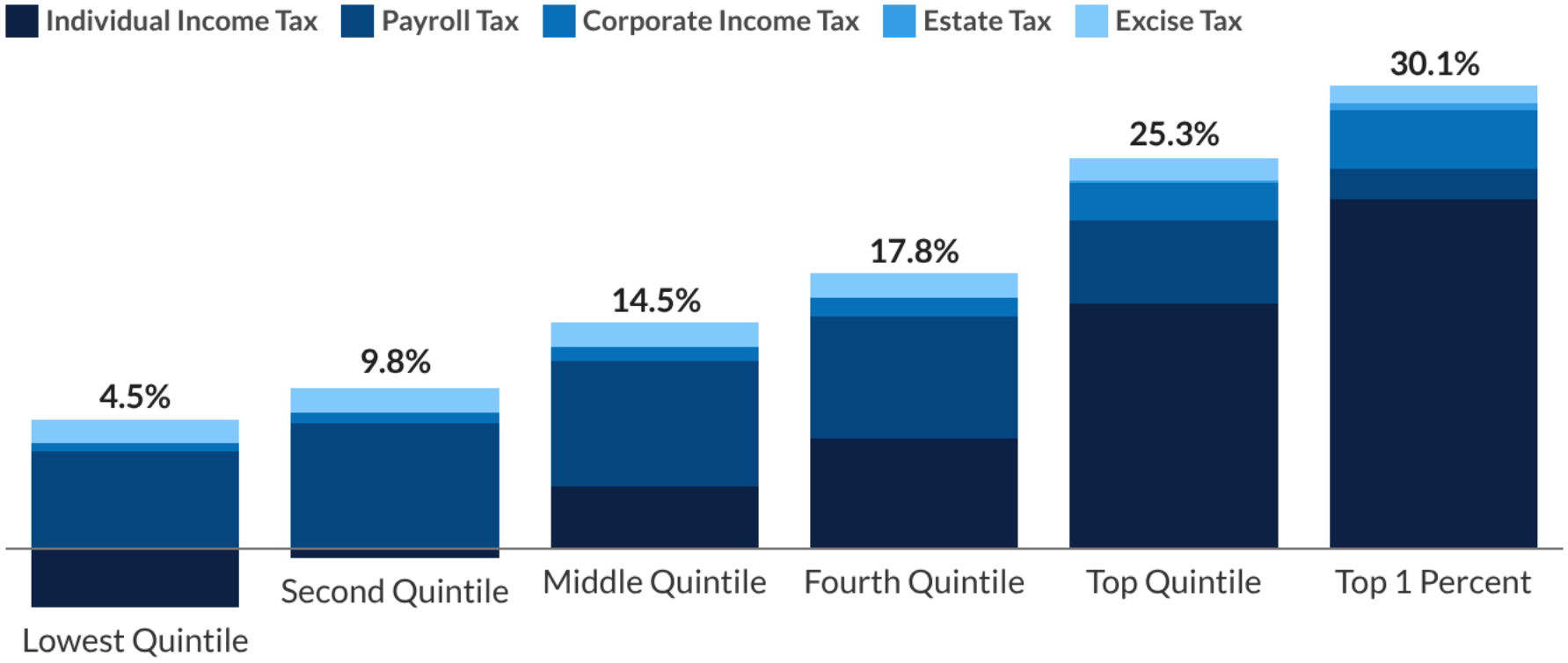
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All income groups pay taxes, but overall the U.S. federal tax system is progressive

Effective Federal Tax Rate (% of Expanded Cash Income in 2025)



Source: Tax Policy Center

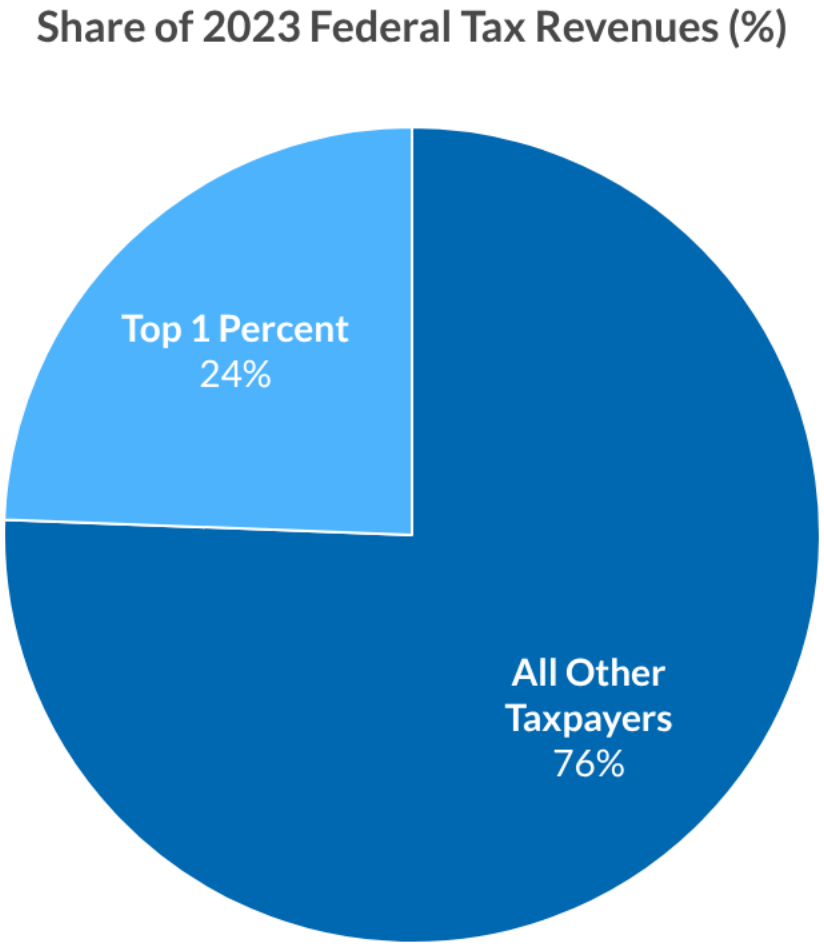
Notes: Federal taxes include the excise tax, estate tax, corporate income tax, payroll tax, and individual income tax. Quintiles and pre-tax income are measured by expanded cash income. Each quintile contains one-fifth of the population. Lowest Quintile: Less than $32,300. Second Quintile: $32,301–$66,700. Middle Quintile: $66,701–$118,600. Fourth Quintile: $118,601–$224,700. Top Quintile: More than $224,700. Data are for 2025.

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The top 1 percent of taxpayers generate 24 percent of total federal tax revenues



Source: Tax Policy Center

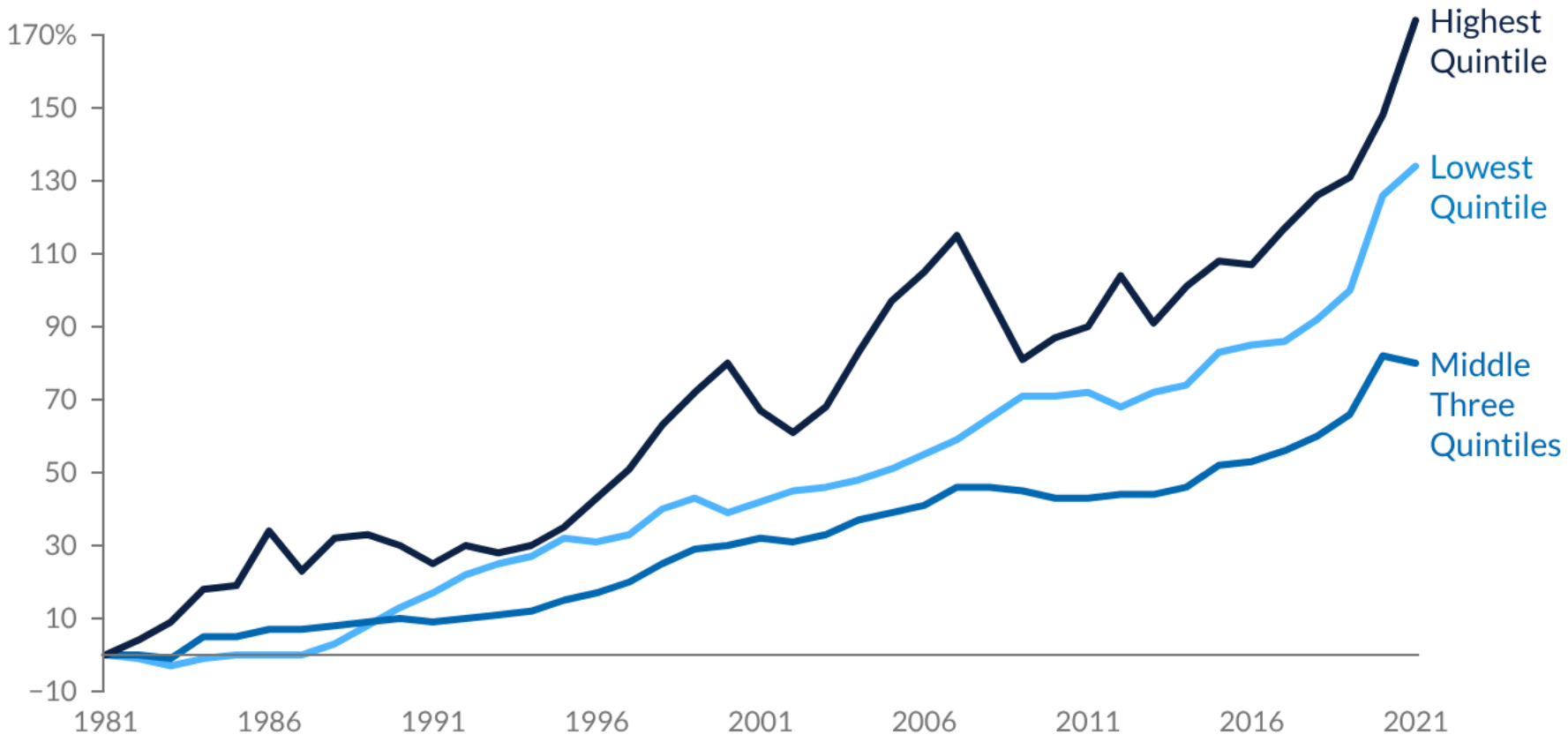
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Income growth since 1980 has been larger for high-income earners, even when including transfers and taxes

Cumulative Growth in Average Income After Transfers and Taxes (2021 $)



Source: Congressional Budget Office

Note: Income after transfers and taxes is comprised of market income plus income from social insurance programs (i.e. Social Security), plus means-tested transfers received (i.e. Medicaid), minus federal taxes.

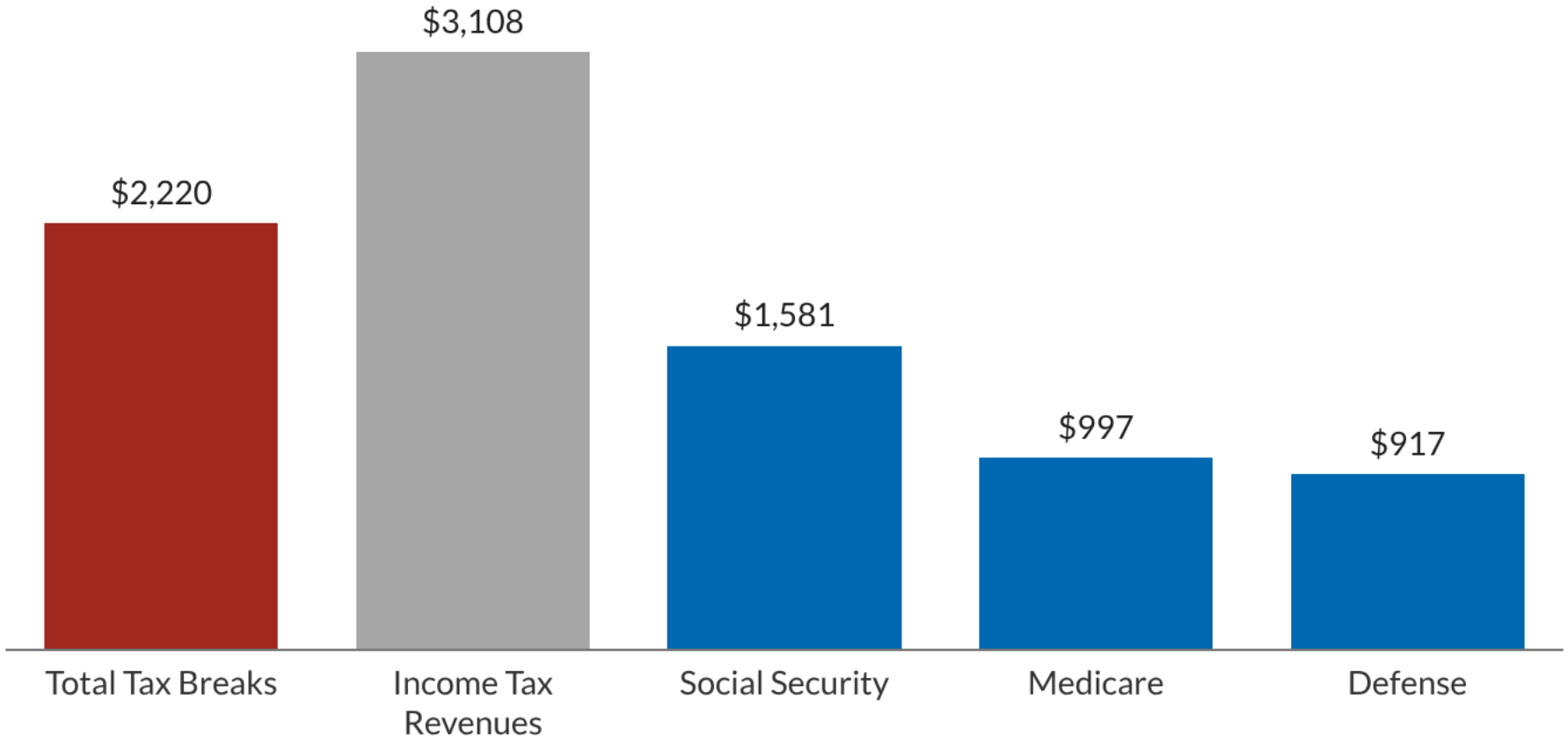
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Tax expenditures cost more than any individual government spending program

Budgetary Cost in 2025 (Billions of $)



Sources: Joint Committee on Taxation and Department of the Treasury

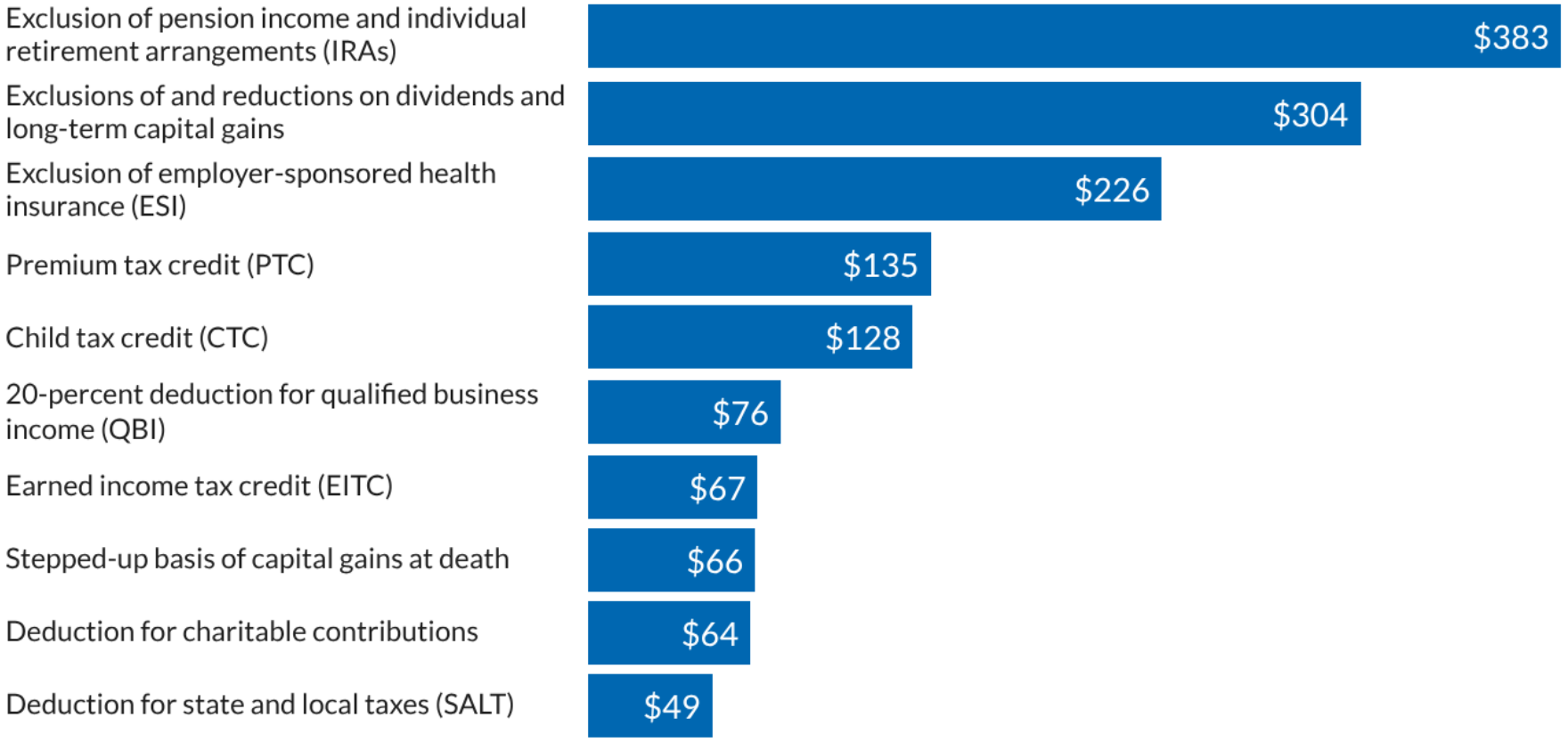
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The ten largest individual income tax expenditures cost $1.5 trillion

Budgetary Cost in 2025 (Billions of $)



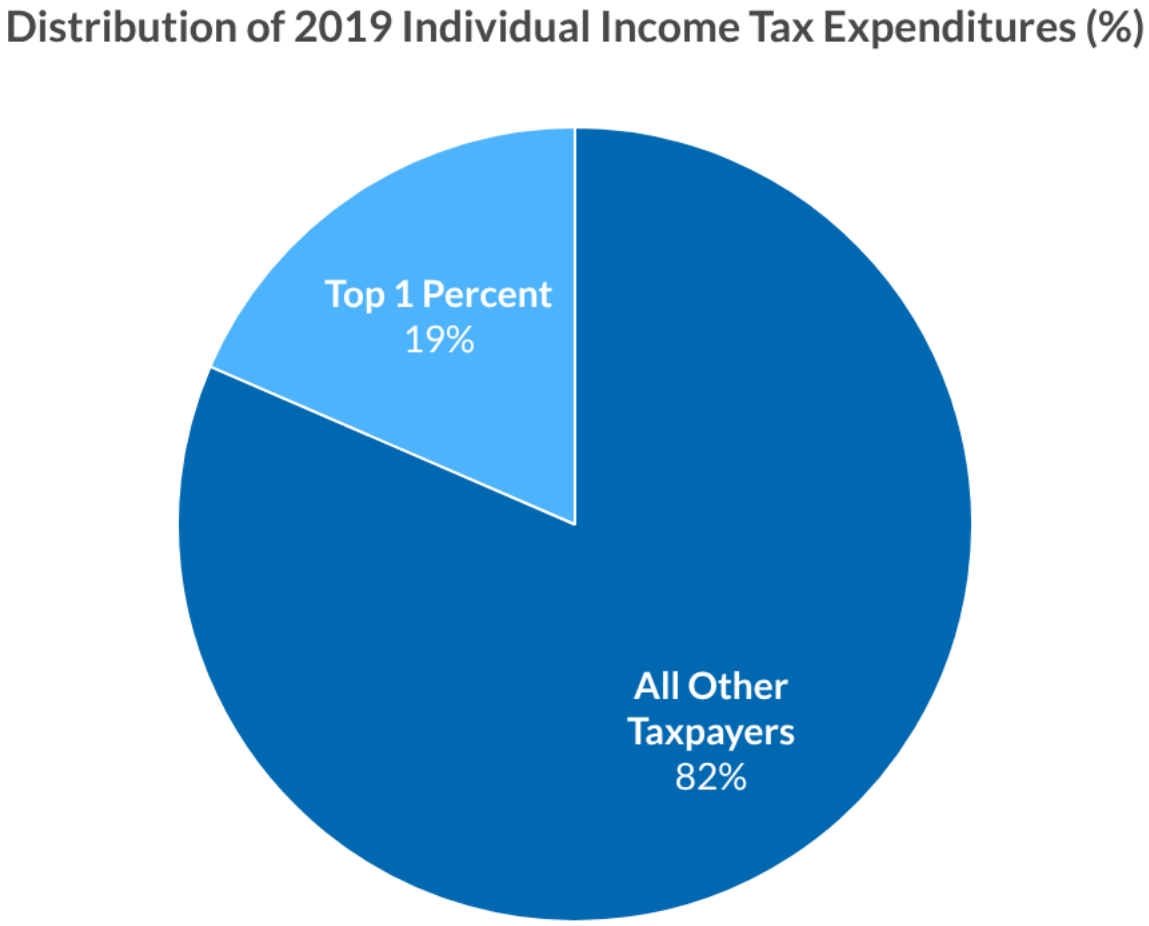
Source: Joint Committee on Taxation

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The top 1 percent of taxpayers receive 19 percent of the benefit from individual income tax expenditures



Source: Congressional Budget Office

Notes: Data are for 2019. Data only include major non-business and non-payroll tax expenditures that are claimed on individual tax returns.

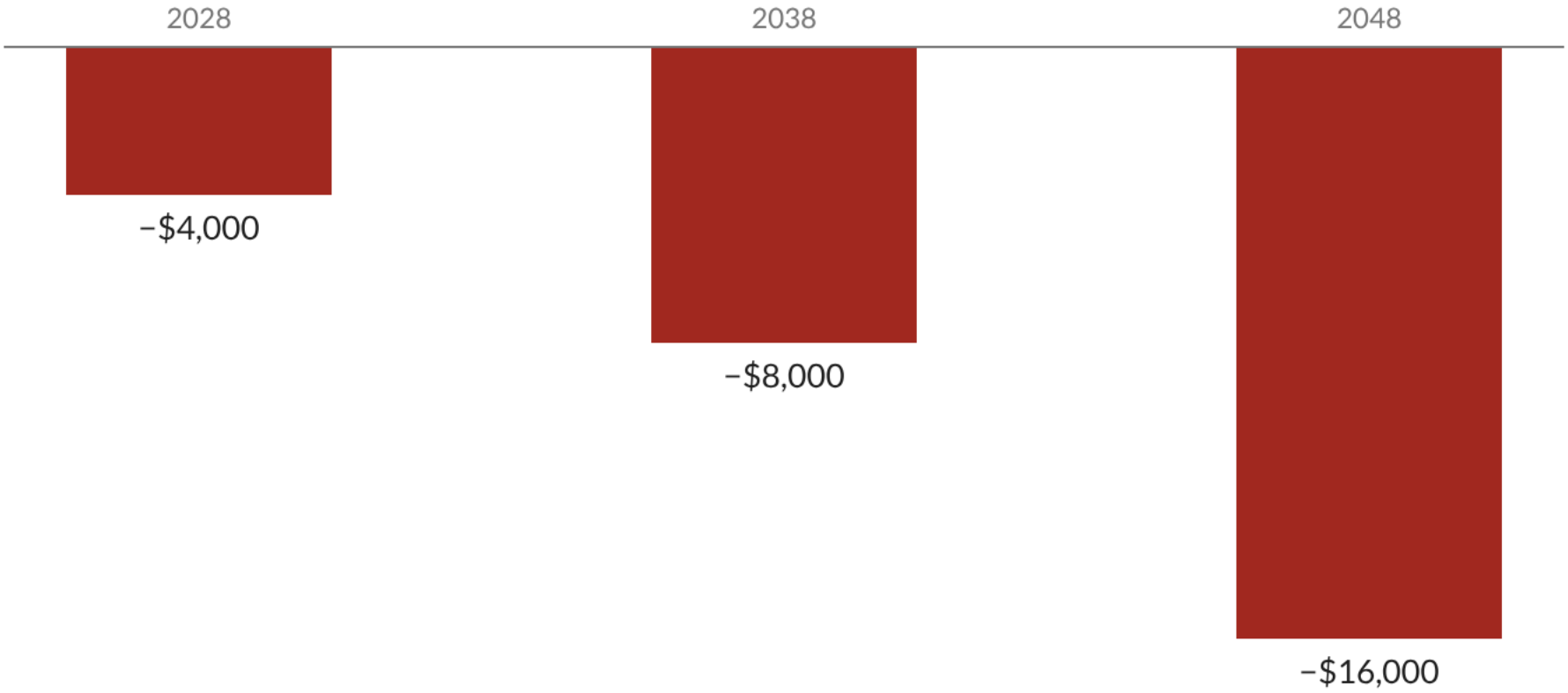
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The growing federal debt is projected to reduce family incomes substantially

Income Loss For a Four-Person Family, on Average (2019 $)



Source: Congressional Budget Office

Note: The income measures are based on CBO's projections of real gross national product per person. The income loss is the difference between the income level if debt rises as it does under current law and the income level if debt remains near its current share of gross domestic product.

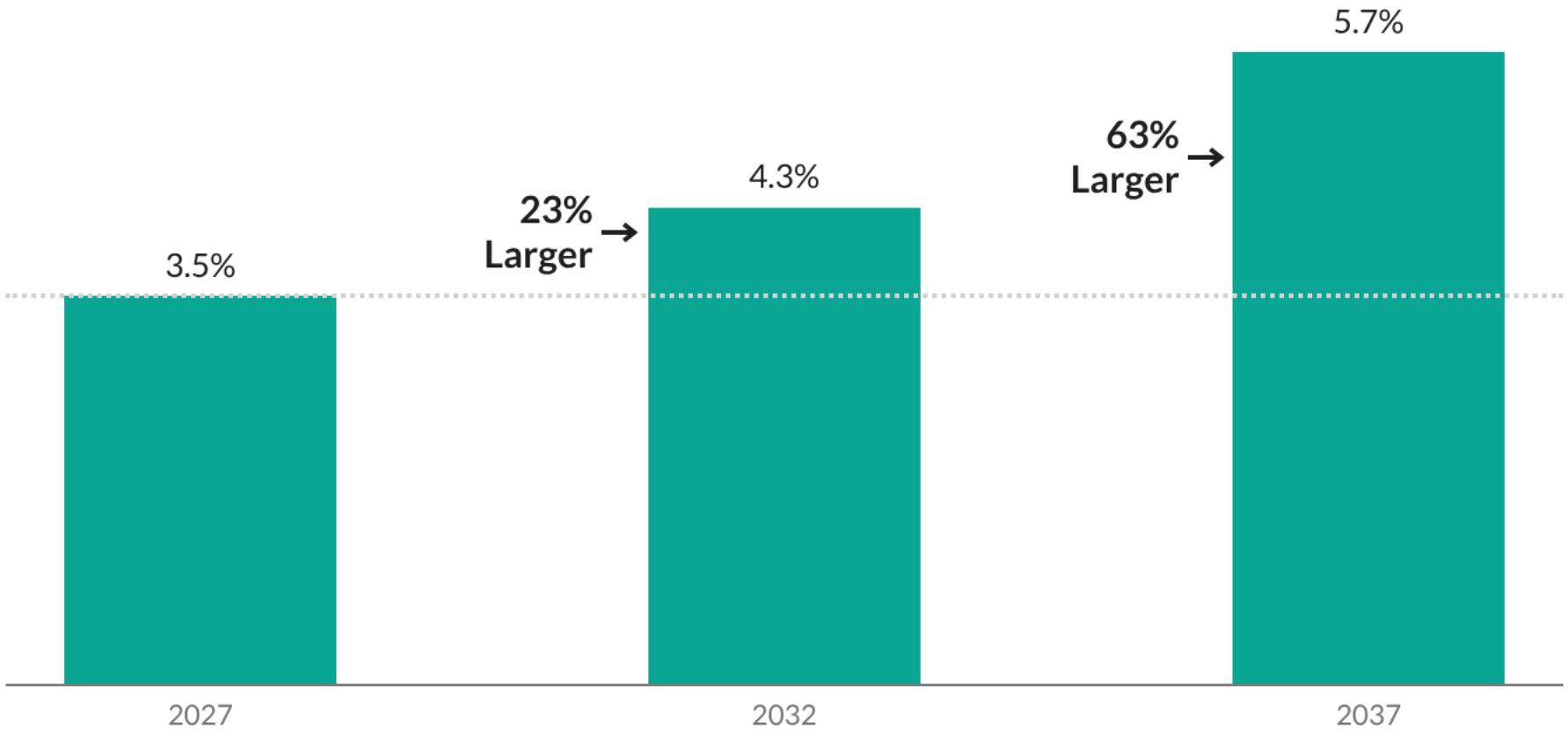
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Waiting to enact fiscal reform raises the cost of stabilizing the debt

Size of Reform Needed in First Year of Enactment (% of GDP)



Source: Congressional Budget Office

Note: Data reflects changes needed to stabilize the debt at 80 percent of GDP by 2052.

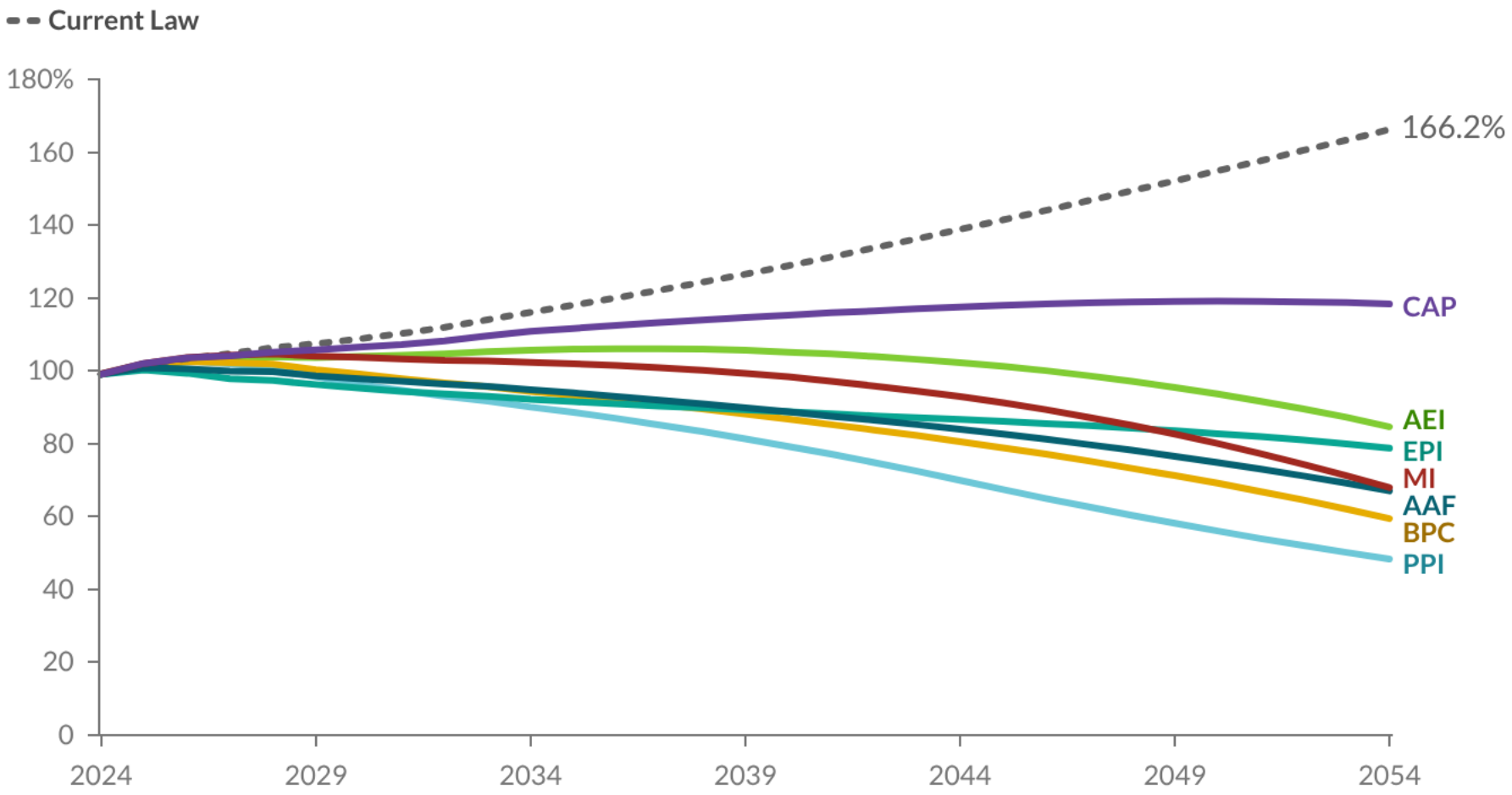
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Solutions Initiative 2024: Projected federal debt

Debt held by the public (% of GDP)



Source: Peter G. Peterson Foundation, Solutions Initiative 2024, July 2024.

Note: Current law baseline is from Congressional Budget Office, *The Long-Term Budget Outlook: 2024 to 2054* (March 2024).

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